

## Transportation Agency

Honorable Bernard P. Carvalho, Jr.  
Honorable Felicia Cowden  
Honorable Luke A. Evslin  
Honorable Bill DeCosta  
Honorable KipuKai Kuali'i  
Honorable Arryl Kaneshiro

Excused: Honorable Mason K. Chock

The Committee reconvened on April 5, 2022 at 9:00 a.m., and proceeded as follows:

Committee Chair Kaneshiro: Good morning, I would like to call back to order the Committee of the Whole and the Fiscal Year (FY) 2022-2023 Departmental Budget Reviews. Let the record reflect that we have a quorum, Council Vice Chair Chock is excused. On the schedule today, April 5, 2022, we will be hearing from the Transportation Agency, the Housing Agency, the Agency on Elderly Affairs, the Office of the County Auditor, and the Office of the County Clerk. As we do each morning, we will take public testimony at the very beginning. I see our first testifier today. We have Alice Parker. Welcome, Alice. I think you know the rules, but I will go over it again. You will have three (3) minutes; the light will turn green when it starts, yellow when you have thirty (30) seconds, and red when your three (3) minutes are up. If you still need more time and no one shows up, you will have an additional three (3) minutes if you need it.

There being no objections, the rules were suspended to take public testimony.

ALICE PARKER: Thank you. Greetings everyone, so good to see you all and to be back. As you know, bus stop on Pahe'e Street—and Scott gave me the good news, that it is being worked on, and I am thinking the bus could stop at Target, and that is a great stop, they have a bench and they have an overhang, and it is great waiting for the bus there. But it could come back at the other street and go right into Kukui Grove, so it could be the stop right after Target, worked right into the Route 70 plan. Then, there are other things, briefly, for budget, and it is not Transportation, I do not know where it goes, so I am going to stick these in, do something to fix the hole that we do not pay the salary of a Councilmember in jail, okay? The other thing is...what is the other thing...no special elections. Do something so that someone can be appointed temporarily under the regular election time comes up, okay? Otherwise, good job. Thank you so much.

Councilmember Cowden: You did not state your name.

Committee Chair Kaneshiro: I said it, Alice Parker, for the record.

Councilmember Cowden: Okay.

Ms. Parker: I am sorry, Alice Parker, Lihu'e.

Committee Chair Kaneshiro: Thank you, Alice. I see no one else in the gallery to speak. We have no further registered speakers. For today's review, we will start with the Transportation Agency. I will call the Executive on Transportation, Celia Mahikoa, and her team to give us a brief overview of their Fiscal Year 2023 budget.

There being no further testimony, the meeting was called back to order, and proceeded as follows:

CELIA M. MAHIKOA, Executive on Transportation (*via remote technology*): Aloha and good morning, Councilmembers. Celia Mahikoa, Executive on Transportation Agency. I have our Assistant Executive Leonard Peters joining me, and Robin Nakata our Accountant, both very strong, instrumental part of assembling and managing our budget. Just to start off, I wanted to provide brief background information on the budget that we submitted. I am sure it was rather challenging in doing any comparative types of analysis due to the extreme changes that we have gone through budgetarily over the past couple of years. Between the Coronavirus Aid, Relief, and Economic Security (CARES) and Coronavirus Response and Relief Supplemental Appropriations (CRRSA) funding awards that were provided last year to which thankfully we were able to shift on a good portion, if not nearly all of our operating expenses to those resources that were generously provided to continue transit operations through such a critical period of need. Then, now, transitioning back to needing to utilize our identified funding sources here at the County-level for our operational funds. I would not want to delay any further, I am sure you all had a chance to review what has been submitted and would like to leave it open to address any questions or clarifications that any of our Councilmembers would have for us.

Committee Chair Kaneshiro: Are there any questions on the write-up?  
Councilmember Kualii:

Councilmember Kualii: Good morning, Celia. On page 5, in the middle of the page, the paragraph begins with the space need study, then it talks about Federal Transit Administration (FTA) funding for planning, design, engineering, and construction of additional repair shop and baseyard functional space in the near future. I do not remember if we saw anything on this quite a while back, so the existing baseyard, you are looking to expand also an additional land area like part of the soccer field area, and in that, are you also looking to open up to Kaua'i Veterans Memorial Highway as a new entryway?

Ms. Mahikoa: We have been having discussions with the various individuals involved in the management of those areas, and it has appeared that it is not likely that we will be proceeding in that direction. We are instead attempting...first of all, we are taking steps to make the greatest use of the land that we have available to us now and restructuring and expanding a repair shop facility that we have, then beyond that, seeking ways to more effectively utilize our parking practices with our vehicles. Then, beyond that, seeking an additional lot, possibly, very likely a satellite baseyard location in another area that we could also use to add to certain operational efficiencies with the downtimes and deadhead miles that go on our vehicles operating from one central location at the moment.

Councilmember Kualii: Thank you.

Committee Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: Hi, Celia, thank you for the presentation.

Ms. Mahikoa: Good morning.

Councilmember Evslin: You mentioned in here, the operational challenges of the transition to electrification of the bus fleet, could you elaborate on that a little bit more, maybe identifying progress, if any, that you folks have made, and when we could hopefully expect our first electric buses to come here on the pathway to 100% electrification by 2035?

Ms. Mahikoa: Thank you for inquiring about that. We have been making good progress. It is a Statewide effort with the Hawai'i Zero Emission Bus Project that we are involved in, and because it is a joint effort, we have all been E-meeting and working together. Hawai'i Island has taken the lead with helping to get all of the procurement formatting set up for Maui, Hawai'i Island, and Kaua'i. Then, we anticipate being able to have that finalized within the next couple of months, is the ultimate goal to get us into having the request for proposal (RFP) going out and actually, timeline-wise, we are looking at having the electric busses on-island by late next year or early 2024. Of course, we have been encountering various challenges in vehicle purchases with the shipping issues and other "chip" source things that other folks have been mentioning as well with getting vehicles. That is the timeline in which we are operating right now in this Statewide effort. At the same time, there are consultants on-board for these state plans that are also helping with assembling our full transition plan and seeing what it would take for us to actually accomplish getting our transit fleet fully transitioned to electric by 2035, so we are seeing that goal, and mapping out what it would take fiscally, operationally, and infrastructure-wise to carry that out.

Councilmember Evslin: Great. Thank you. It does sound like you folks are making good progress there. Once you do have a couple of buses, which it sounds like possibly later next year, in service, and presumably have the charging infrastructure up for those busses, is the intention to start transitioning as our existing diesel busses age out? Is the intention to transition all of those to electric once the infrastructure is up?

Ms. Mahikoa: Yes. Ultimately, our goal is to have the entire Kaua'i Bus fleet electric with all of the supporting infrastructures as well by 2035—that is the ultimate goal.

Councilmember Evslin: Sorry, just to clarify that question, but to get to 2035, does that mean anytime we are aging a bus out, say next year, will that bus be replaced by an electric bus?

Ms. Mahikoa: Yes. From this point forward, we are setting up a replacement plan, whereby, yes, of course, we will need to sustain a current level of service for the public and in doing so, will need to schedule in electrics replacing certain diesels, and at the same time, we will also need to be...because we do not have the resources and infrastructure to transition all of what we need to keep replaced each year, that there will be additional diesel purchases ongoing as we carryout the transition, but little by little it will, how should I say, slowly, but surely we will be having our fleet completely converted over to electric, and they will be replacing diesel vehicles.

Councilmember Evslin: Okay, thank you. I recognize that this is a heroic task, and it is not just simply switching electric for diesel, but it requires a reworking of routes, infrastructure, and training, et cetera, so I recognize your folks good work here on this task.

Ms. Mahikoa: Thank you.

Committee Chair Kaneshiro:                      Councilmember Cowden.

Councilmember Cowden:                      First of all, thank you folks for a great job that has been ongoing throughout the pandemic. When I am looking at our shortage of space, I see here it is talking about the greatest challenge faced by the Kaua'i Bus continues to be the limited space. Is it possible for us to park some of the buses at the end of their run; have the last run be out to Hanalei or to Kekaha and park at the baseyard, since we are expanding our baseyard in Hanalei, maybe park in Kapa'a? If not every bus came home, but stayed out there, it seems like it could work. Is there something that limits that possibility?

Ms. Mahikoa:                                      For us, there are several considerations to make. The primary would be movement of our drivers to get to and from the actual baseyard location of which we have very few who actually live north of Līhu'e to begin with, so we would need to be working to get them transported out there, but we are certainly looking into other options. We appreciate your ideas on that, and that is certainly something we can take into consideration. The challenge is identifying locations as well, where we have parties who are willing to allocate land for this purpose, then additionally setting up what is needed in order to effectively operate a baseyard function out of these various areas. But nowadays with technology, it makes it somewhat easier. We are grateful for the different tools we have available now.

Councilmember Cowden:                      Four (4) years ago it was crowded, and it was probably crowded before then, so I just look at the space in Kapa'a, there is space in some of these other locations, so encouraging or being open to a creative way of looking at that. Then, I wanted to ask about the vacancies in covering these positions, it says, "the COVID-19 pandemic has prompted many operational challenges of which the greatest has been maintain sufficient staffing levels to preserve acceptable levels of quality transit service." It might be that you would end up with more applicants from the outreaches if they knew that they started work in that area, right? So it might be, if work starts in Līhu'e, you are going to get applicants more in Līhu'e. If it starts in different zones, you might be able to get more applicants from there. How short are we? What is the biggest barrier to getting people to want this job? Actually, I talked to some of the bus drivers—they love it.

Ms. Mahikoa:                                      I am not certain about what would deter individuals from applying. Currently, we have, as of yesterday, two (2) full-time bus driver positions vacant, and five (5) on-call vacant, and with that, I believe just the other opportunities that have become available over the past couple of years have provided individuals with more attractive options based on their priorities. However, we have been able to...considering the number of drivers that we actually need to keep on hand, we have been able to sustain it to the point where it has not negatively impacted service, thankfully.

Councilmember Cowden:                      How is our volume going? Have we increased our ridership volume much in the past, say last summer?

Ms. Mahikoa:                                      It has been pretty stable, fluctuating anywhere between 60% to 70% of pre-COVID-19 ridership is what we have been experiencing. Of course, there have been upticks in it, and then it comes back down a bit based on the visitor counts on the island. When the rental car issue was going on, the public transit became quite a bit more attractive for those who had no other option before the other rental type of options

had picked up pace. As far as ridership goes, it has been around 60% to 70%. We anticipate now that things are returning somewhat more back to normal that it will slowly return to pre-COVID-19 levels.

Councilmember Cowden: Your operational highlights that you talk about number 2, you talk about having the Līhu'e Target store on Route 70, the Līhu'e shuttle. Just honoring Alice's question here, the new bus that comes from Pahee Street, that is basically your Kekaha run, right, so Target is an extra stop at present is not deemed needed, is that right? Can we put Pahee on, or is that too much of a small stop for that long-range bus?

Ms. Mahikoa: That would be a relatively easy detour for a bus to take that was headed west or coming in from the west. The challenge that we typically need to address with any new bus stop is ensuring that they are Americans with Disability Act (ADA) compliant, so actually getting the infrastructure set up for the bus stop on Pahee has been what has prevented our ability to service that section of Līhu'e.

Councilmember Cowden: Okay. Thank you for that. My last question, I am looking on page 5, number 3, where it says, "Kapa'a Bus team members continue to encounter challenges with noncompliance with the mask wearing;" is that past now, or do we still have masks on the bus?

Ms. Mahikoa: Yes, Transportation Security Administration (TSA) extended the mask wearing for public transit until April 18<sup>th</sup>, so yes, it is still required on-board, our drivers still take a couple of masks with them just in case we have individuals who are unprepared when wanting to board, so the challenges do continue. We have been able to provide our drives with tools on-board via our announcements whereby...we have anticipated a level of confusion or misinformation when the masks elsewhere were eliminated and yet continued on public transit, so we set up a regular announcement every ten (10) minutes that occurs on-board just reminding the public that the public transit still requires it through April 18<sup>th</sup>, and I suppose we will hear within the next week or two (2) whether or not that will be further extended or removed.

Councilmember Cowden: Okay, thank you so much.

Ms. Mahikoa: Thank you.

Committee Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: In your transition plan, I was wondering if we are going to be proactive on our electrical buses coming in with cross-training our diesel mechanics that we have now or possibly training new employees whether it be a partnership with Kaua'i Community College (KCC), or the company selling the buses? I just want to be proactive on our transition plan that we have that maintenance and electrical mechanic in place.

Ms. Mahikoa: Thank you. That is an excellent question. Yes, our repair shop manager has been on-board with us in the discussions on mapping out the vehicles themselves, and what we are going to include in the actual purchase, which will be having our existing mechanics being fully trained in the electric vehicles. Thank you.

Councilmember DeCosta: Thank you.

Committee Chair Kaneshiro: Councilmember Carvalho.

Councilmember Carvalho: Good morning, Celia. Just a quick follow-up overview on the same discussion with the site of Target, with a new bus stop and Pahee with Alice. We talked about this, so the existing bus stops, the big goal was to have every bus stop have a bus shelter, period, that was the biggest picture. There was discussion that was brought to the table again about the Puhi area and the KCC area, so where are we with that? Then, are we completed with installing bus shelters at all the existing bus stops, and will the new ones continue? Just an update on that.

Ms. Mahikoa: As far as the Puhi area, we are looking at assembling a Puhi shuttle plan, maybe a pilot program type of initiative, because we see a density of that area needing service and there are a few already existing bus stops that I suppose were included as part of the community development requirements, so we are exploring what is available out there, and of course confirming ADA compliance with whatever we are operating. Sorry, I am missing on the second part of what you had asked.

Councilmember Carvalho: Are we completed with the existing bus stops and light-emitting diode (LED) lighting?

Ms. Mahikoa: Yes, we were able to complete the project that handled. we probably have about two-thirds (2/3) to three-fourths (3/4) of them either with Kaua'i Bus shelters, or they are adjacent to a projected area; like under eaves or buildings are located at other facilities. In the future, we would be able to look at what else has become available funding-wise, as well as resources we have available to carry out those types of projects. We have been communicating with the Department of Public Works who have been extremely supportive in identifying certain areas and including the bus stops and improvements in the projects that they are working on, and there have been amazing results that we have had working closely with them on that.

Councilmember Carvalho: I just wanted the community to hear that is all in the works and still moving forward in many different ways. Good job. Thank you.

Ms. Mahikoa: Thank you.

Committee Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: Celia, for the mobile app which provides real-time data, kudos to you folks for getting that going, I ride the bus when I travel often anywhere. If I look on Google Maps, and I cannot find any bus routes on there, then I do not ride the bus, but if I do find it then I do. No offense to anyone, but trying to navigate the previous timetables for the Kaua'i Bus and if you are not a regular user trying to figure out when it is going to come, for me, it was like nuclear physics or something—it was hard to figure out. Now, what you have on Google Maps is certainly impressive; it has the time the bus is going to come, if it is crowded or not, exactly how to get there, and where to walk. Quick question, or a couple related questions, is what you folks have on your app different from what is on Google Maps? Is there a reason for someone to download the mobile app or is it equivalent to Google Maps?

Ms. Mahikoa: My understanding is that it is and there should be complete alignment between them, so if at any point you see there is not, we would appreciate the heads up on that, but my understanding is that there should be complete alignment.

Councilmember Evslin: Okay. Out of curiosity, I know the last two (2) years have been crazy, so any data from the last two (2) years is probably rescued. Did you see a bump in ridership or anything, with tourist, when you rolled out the Google Maps tie-in and your application?

Ms. Mahikoa: Nothing that we could detect. There may have been some, but not that we would be able to tie directly to that change or that becoming available. Of course, the largest changes we typically see is when there are impacts within the rental car industry and when there are other limitations on-island.

Councilmember Evslin: Presumably, did you see a significant surge in ridership during the rental car crunch?

Ms. Mahikoa: Yes, it was significant. Therefore, there was a large increase in the one-day bus passes that were made available at various stores across the island.

Councilmember Evslin: Since then, are you folks back to a baseline as far as ridership goes, or are you still seeing increases?

Ms. Mahikoa: It went down as other options became available, as Turo picked up on-island, et cetera. Recently with Spring Break, with more people on island, the numbers are not doubled, but we see increases in additional ridership during times where there are more folks on island.

Councilmember Evslin: In general, is there increased ridership now compared to pre-COVID levels?

Ms. Mahikoa: No. We are still at 70% of pre-COVID, and we are monitoring to see...we are not exactly sure cause wise and other impacts of lingering effects that are occurring in the community, job market, kids going to school, et cetera. We will continue to monitor and provide updates as needed.

Councilmember Evslin: Okay, thank you.

Ms. Mahikoa: Thank you.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I have follow-up. I downloaded the Kaua'i Bus app. I just learned that, thank you. That is exciting, yay, my phone is more powerful for me now. Oh my gosh, now I forgot my question on that. But, yay, that you have this. I would

honestly like to see more bus ridership by our visitors. I think it would relieve a lot of these problems where I have contention about parking permits in the parks, et cetera. Are we giving anymore thought towards having a luggage area, so people can put their beach bag, their grocery bag, their laundry bag, et cetera? Visitors do not bring their laundry, but people who do not have a car need to have a place to put their items. I think that would increase our ridership. Are we giving anymore thought to that? If we are at 60% to 70%, that means there is space, or can people set it on the chair next to them? What can we do, so that more people can show up with what they need, to where they are going?

Ms. Mahikoa: Now, we allow folks on board with the items that they can keep in their own personal space. This is for the safety of those around them, as well as for the individuals that would be impacted. As far as designing a luggage area, that has not entered our scope right now. Our focus is on moving the individuals around that have their daily needs for transportation, work transports, medical appointment transports, their need to travel around the island, and the residents that we serve primarily. I ride quite often, when we go over to pick up at the airport, it is quite obvious the individuals that did their homework and thought it through, they have their reasonable size backpack and carry bags that they travel with. For now, it has not entered our scope of vehicle specification. We can certainly look as things change. We are looking at procuring four (4) of the electric buses by the end of next year. We can look at specking in areas. The challenge with that is needing consistency among our vehicles, within our system, and within the different routes that we have. We need to ensure that the information is clear as to what we do not have available on every run and every bus that we operate, that may lead to challenges and misunderstandings of what individuals can bring onboard.

Councilmember Cowden: Okay. I can understand that. I think all the bus drivers are super kind, at least when I am on there. Not just to me, but to everyone. That is what I notice. Heartwarmingly so, above the bar that I would expect, and I have a high bar.

Ms. Mahikoa: Thank you so much.

Committee Chair Kaneshiro: Are there any other questions based on the writeup? If not, we can go into the budget. Obviously, General Fund has no expenses. The only General Fund item that would be in here would have been the equipment maintenance which got moved out to the appropriate spot, and in Parks and Recreation. Administration General Fund, I think we can breeze through it. Operations General Fund is \$0. Small Equipment Maintenance Fund is \$0. Highway Fund Administration—are there any questions on this?

Councilmember Cowden: I have a basic question on page 254. The big fat number along the bottom of General Fund total under Mayor's request. Why do we have \$156...oh that is just...

Committee Chair Kaneshiro: That is the total for the whole County.



Councilmember Cowden: Okay, alright.

Committee Chair Kaneshiro: We are on page 281, Highway Fund Administration. Are there any questions on these items? Councilmember Cowden.

Councilmember Cowden: Well, again, making it clear and I am sure it has already been explained. For this, we are dollar-funding everything in Administration except for vehicles and construction.

Committee Chair Kaneshiro: All of that is coming out of GET expense.

Councilmember Cowden: Oh. Alright, that is a good one, okay, thank you.

Committee Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: The \$126,000 for low/no match charging stations for electric busses, that is a grant match, correct?

Ms. Mahikoa: Yes.

Councilmember Evslin: How much is the total grant for?

Ms. Mahikoa: This is part of the joint procurement that we have statewide, so this represents 20%. We anticipate the full amount of infrastructure to be five (5) times that, it is at about \$600,000.

Councilmember Evslin: Will that start to go in this next FY?

Ms. Mahikoa: That is the plan.

Councilmember Evslin: I know that we talked about this a little earlier of your overview, but is that the extent of the charging infrastructure that you folks to do for a full conversion or is that one little piece of it.

Ms. Mahikoa: That is one little piece to get us started and to prepare for the receipt of the first four (4) vehicles. What we are envisioning for this portion is to have two (2) units that would be able to service the four (4) vehicles.

Councilmember Evslin: Okay, thank you.

Committee Chair Kaneshiro: Are there any other questions for this? If not, we can move on. Highway Fund Operations. This basically has 50% of all salaries in it.

Councilmember Cowden: Okay. We are putting 50% in Highway Fund and 50% in GET. Okay. Does the Highway Fund come from car registration moneys and fuel tax?

Committee Chair Kaneshiro: Yes. It comes from a variety of funds like bus fees and whatever fuel tax revenue items there are.

Councilmember Cowden: Where do we see...I am trying to find it here where we have the money that people pay for their passes.

Committee Chair Kaneshiro: We budgeted \$800,000.

Councilmember Cowden: I am looking for where I see that in here and on which page?

Committee Chair Kaneshiro: It is under Public Welfare and Safety on page 2, Highway Fund—\$800,000.

Councilmember Cowden: Okay. I guess I just would have not thought to look for it as Public Welfare and Safety. I was looking for “bus pass,” but that is where it is put into. Okay, thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Celia, I have questions on vacant positions. Position No. 10396 and Position No. 9424, they are both Clerk Dispatcher I. Both positions have been vacant for a few months. I see the funding in the GET on page 298, but it shows up here. It is budget at the low amount \$38,004. The recruitment status says, “continuous recruitment.” What is the status of filling these positions and will we have them filled before July 1<sup>st</sup>?

Ms. Mahikoa: Position No. 9424 was filled as of last Friday. We have a new hire that just started. Right now, the interviews are occurring for Position No. 10396. We anticipate startup possible by June 1<sup>st</sup>, which is typically the timeline.

Councilmember Kualii: Okay. For the bus driver positions, I think I saw seven (7). Earlier you said something about two (2) vacant bus driver positions and five (5) on-call vacant positions. Are all the bus driver positions in one pool, whether it is a regular or on-call position?

Ms. Mahikoa: Do you mean as far as how it is defined on our budget?

Councilmember Kualii: How it is showing up on the budget because there is a whole...see at the bottom of page 285, it says, “Bus drivers sixty-two (62) at salary of

\$53,292.” Then it has five (5) columns of all these position numbers. Seven (7) of them are showing up on the vacancy report. Five (5) of them have been vacant for a long time, nearly two (2) years.

Ms. Mahikoa: That is something that we need to...I am sorry, we went through to confirm the information and needed to have that information corrected. Those positions have had recent activity as far as filling the vacancy. If you would like, we can provide you the updated list.

Councilmember Kualii: Yes. On the vacancy report, the status was only recruiting. Basically, there are seven (7) positions there, and if you can provide that later. The last position is Position No. 1969. It shows up here under the Highway Fund Operations with the dollar, on page 285. All the positions show up again on page 298, with the GE funds with the full salary levels. Position No. 1969, Mechanic Helper, it is on the vacancy report since July 2021, there it is just \$1. When I look for it on the GE Operations, where all the other positions are also listed, Position No. 1969 is not shared. What is the status of Position No. 1969, where did it go? On the status it says, “no requisition to recruit.”

Ms. Mahikoa: Yes, Position 1969 is the position that we have agreed to forward to Parks and Recreation for the movement of the small equipment repair function.

Councilmember Kualii: Okay, so it is in their budget. That is, it, thank you.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I have a follow-up. Can you describe for me these the on-call positions? Do they work so many days that they know they have it, and so many days that they are on-call...are they new hires? What would make an on-call position compelling to the staff member?

Ms. Mahikoa: Based on what observed, the freedom to define your own availability. With the full-time drivers, we provide them a list of defined schedules, and they sign-up via seniority. Those who are newer have what would be considered fewer desirable choices. Other individuals have other high priority items going on in their lives and would prefer to tell us when they are available, so they stay within the substitute or on-call pool.

Councilmember Cowden: Do they typically work half-time, full-time, or it could be a range? They come in when someone is sick or cannot make it, or if there is a gap. It is like being a substitute teacher.

Ms. Mahikoa: Yes. It could be anywhere on the range that some are available a couple days a week, and some are available anytime. We have a master list

whereby we refer to. When a need is presented, we identify to those individuals we can call on.

Councilmember Cowden: When there is vacation coming up for a primary driver, does their substitute often get assigned ahead of time? Do they know when that is, so we do not have unexpected gaps? When we know that there will be openings, do we fill them ahead of time?

Ms. Mahikoa: We fill them ahead of time as much as possible. If we fully utilize our float positions, we have several full-time float positions that we assign first to any predictable openings. If there is anything remaining thereafter, they are assigned to the on-call drivers.

Councilmember Cowden: Okay. The person who does scheduling, what is their job position called? There must be a software that helps to assist that.

Ms. Mahikoa: We have some software that helps to lighten the load. For the most part, the scheduling is needing to be addressed through personnel calling in. The position that handles the coordination of that is our Fixed Route Assistant Manager.

Councilmember Cowden: Okay. It is an important job.

Ms. Mahikoa: Yes, it is.

Councilmember Cowden: Okay, thank you.

Committee Chair Kaneshiro: Are there any other questions while we are on Highway Fund Operations? Councilmember Kualii.

Councilmember Kualii: Celia, Position No. 1969 is showing on page 285 with \$1. If the position is transferred, that means that number will go over, too. This should come out of the budget here.

Ms. Mahikoa: Yes. It should be transferred.

Councilmember Kualii: It should show here in your budget, and it should show over in the Department of Parks and Recreation's budget. I did not see it in their budget, but I guess that is something you folks will follow-up with. Thank you.

Ms. Mahikoa: Thank you.

Committee Chair Kaneshiro: Are there any other questions? If not, we will move onto General Excise Fund Administration. Celia, I had a question on the leased line item. We are in lease year four out of five, and the expense for the leased item went down \$172,000. Do you know what the reason for that was?

Ms. Mahikoa: My understanding is that when it initially was set up it was a three-year lease is how it went in, and it was adjusted to a five-year. Therefore, the annual amount was reduced.

Committee Chair Kaneshiro: Okay. Are there any other questions for General Excise Tax Administration? If not, we will move onto General Excise Tax Operations. Councilmember Cowden.

Councilmember Cowden: I see a substantial increase in... no, that is post-employment benefits, that went up for everyone, right? I see that went up, but I think that happened across all departments. The internet and cable went up. Is that because we have internet on the busses?

Ms. Mahikoa: That is part of it. Robyn, would you be able to assist on the detail background on that?

ROBYN NAKATA, Accountant III, Transportation Agency (*via remote technology*): This is Robyn Nakata, Accountant, Kaua'i Bus. The internet data cable line item houses our Cat AVL program for the dispatching of our busses. It is our annual payment, the Verizon data plan for the Wi-Fi, and data capabilities. We were lucky enough to have CARES and CRRSA funding for the initial purchase of the syncretic program and resources. From that point, we will need to be paying annual fees that will need to come out of County funding.

Councilmember Cowden: Okay, thank you. It looks like our fuel cost is about \$1,500,000. Is that accurate for the whole system and gas has gone up?

Committee Chair Kaneshiro: I see fuel for \$780,000.

Councilmember Cowden: Highway Fund is also the same amount. That is fuel that they split in both places. It would be...

Committee Chair Kaneshiro: Highway Fund is dollar-funded. The fuel expense got moved from the Highway Fund to the General Excise Tax Fund.

Councilmember Cowden: Oh, okay, you are right. I was shocked that it was over \$1,000,000, but it is \$780,000 for the fuel. Okay.

Committee Chair Kaneshiro: Are there any other questions from the Members? Councilmember Kualii.

Councilmember Kualii: Celia, I wanted to follow-up and ask. When you provide the information later on the seven (7) vacant bus driver positions, can you also...if there are any other vacancies. You mentioned only two (2) vacant bus drivers and five (5) on-call vacant. I now see a grouping here of different position numbers that are for the on-

Ms. Mahikoa:

Ms. Mahikoa:

ADAM P. ROVERSI, Housing Director (*via remote technology*): Aloha, Council Chair and Members of the Council. Adam Roversi, Housing Director. I wrote some points from our presentation, and I will be happy to answer any questions you folks have. One point that was not made in the narrative which I always like to highlight for you folks is that the majority of the Housing Agency's Personnel Budget as well as Operations is non-County funded. We are one of the few agencies that more than 50% of our staff is funded by non-County funds, various Federal programs and grants. You get a lot of "bang for your buck" from the Housing Agency. A couple of notable things to highlight. The point was made that we faced some challenges, but also great opportunities in expanding our Housing Choice Voucher Program over the last couple of years. We have fully staffed up that portion of our office which had multiple vacancies for many years. I believe last year we hit full staffing. Again, this is a section of our office that is fully Federally funded, but it makes up a huge portion of our work. In the last three (3) years, our Federal Program Budget, that is the funding that we have to actually utilize to provide Rental Assistance for Kaua'i families. We have been able to increase that from \$7,400,000 up to \$11,800,000 which is a 59% increase over the last three (3) years. That is both fabulous and a little depressing. A) We are able to provide significantly more resources to our Kaua'i families, but it also demonstrates an increasing need for rental assistance on Kaua'i. It would be far preferable if we did not have that many families struggling and in need of assistance. It has been a struggle even at full staff we are attempting to fully utilize all of our additional Federal funding by issuing more and more Rental Assistance Vouchers to folks. We have completely cleared our 2020 waitlist of all applicants with recent waitlist pools of almost one thousand (1,000) individuals. It has been quite an administrative task for our Section 8 folks to go through all of those applications. Despite the fact that we have all of this funding available, we are finding it quite challenging to place these individuals in housing, because even though they effectively have money in their pocket to pay for rent, there is an extreme shortage of available physical units, even when they have the money to pay rent to actually move in to, and that is both just a pure numbers game of not enough housing units and also to some extent, a resistance

by landlords to be willing to rent their units to people receiving government assistance of various sorts.

A couple of other things to highlight, again, it is not really a central focus of our budget narrative, but I would be remised not to point out it out, that I think our staff has done a fabulous done spending down COVID-related grant funds that we have received. While it is not strictly speaking a budget item for you folks, as of last month, we successfully distributed just over \$20,000,000 in rent and utility assistance to households on Kaua'i.

As to some of the accomplishments that are laid out from this past year in the narrative that you received, we had our final walk through for the Lima Ola Phase I infrastructure work last week. There were just a couple of very minor punch list items, but I can say effectively the infrastructure work for Lima Ola will enable us to move into vertical construction next year, it is complete, and we should be having the final closeout of that contract, I am hoping sometime this month.

*(Councilmember Evslin was noted as not present.)*

Mr. Roversi: Also, you have all seen it and I appreciate your support and assistance, but one of our other accomplishments this past year was the completion and opening of our Keaula Supportive Housing Project. That is out first housing project on Kaua'i expressly designed to serve individuals who are currently homeless with wraparound supportive services. I would like to say it has been a smashing success in that they have maintained full occupancy but have been actively moving people out of Keaula into more permanent housing after they have received the services that are provided onsite, so they are constantly able to recycle those units and move new people off the street into Keaula and move participants in Keaula on to more permanent housing. At last count, I think the number may have changed, but I think we moved eight (8) households into Keaula and then out into more permanent housing situations.

Lastly, immediately across the street from Keaula, this past year, we opened our latest workforce housing project on Pua Loke Street, a fifty-four (54) unit affordable housing project that has been recently renamed the Ha'upu View Apartments. That is the highest peak that you see along the mountain range as you are standing in the units looking towards Kipukai area.

Lastly, I would like to highlight what I think are some exciting things coming up in the current fiscal year with the budget that you are looking at. We expect to have groundbreaking on the first eight-five (85) multi-family rental units at Lima Ola this year. We are tentatively scheduled for groundbreaking in October. It has been a project a long time in waiting. We are also expecting to begin master planning and predevelopment on the portion of the Waimea 400 property that is earmarked for housing development in recently completed master plan. Also in this upcoming year, we hope to complete the acquisition of approximately fifty (50) acres in Kilauea for future expansion of affordable housing and the gradual growth of the Kilauea Town Core. We are working this upcoming year, cooperatively with the State for master planning in State lands surrounding Mahelona Hospital in Kapa'a, which they estimate will provide up to two hundred (200) additional units in that area. We have not had an eastside project in quite some time, so that will be a great opportunity. Then sort of our last thing looking forward for the upcoming fiscal year, we hope to also break

ground on a second Kealahou-style supportive housing project in our Lima Ola property. Those are highlights that I wanted to call out, and I am happy to answer any questions.

*(Councilmember Carvalho was noted as not present.)*

Committee Chair Kaneshiro:      Councilmember Evslin.

Councilmember Evslin:      Amazing job to you and your whole team there. You folks have been doing an incredible amount of...and I know these are long time projects that are kind of finally coming to fruition, but it is really great. For The Housing Development Fund you mentioned in your overview, that there is kind of a continual challenge of accessing alternative funding sources, and that there is always a need for more moneys for direct County assistance, could you talk a little bit more to that point? Right now, I believe you have \$3,000,000 or so in the Housing Development Fund. In the past, I know we have discussed sort of \$5,000,000 as possibly an upper threshold for your ability to spend. One, how are you able to leverage that funding? For every dollar of direct County funding, what does that look like in terms of leveraging federal funds? Two, related to that, would you be able to spend \$5,000,000, if you had it? If we had no limitations on funding, could you go higher than that? Can you speak directly to your needs there?

*(Councilmember Carvalho was noted as present.)*

Mr. Roversi:      Sure. Thank you. Council has been incredibly cooperative since 2018 in providing general funds to our Housing Development Fund, so I have no complaints about that. I would say that we could spend significantly more funds on housing if they were provided. Some examples, we are just completing Lima Ola Phase I. For that infrastructure work, we were dependent on a State loan of \$13,000,000, which we are going to have to pay back, so you will see there is a budget item in there for interest payments on that loan. If we had County Housing Development Funds of \$13,000,000, we would not have been dependent on the State and we would not be paying \$500,000 in loan interest to the State. Looking forward—that is kind of in the past—we expect Phase II infrastructure work at Lima Ola to cost in the ballpark of \$12,000,000. At this point, we do not know where that \$12,000,000 is going to come from. We are applying for federal earmarks and looking into potential opportunities for bond financing. I know Phase I was partly financed by a County bond, but that is the sort of thing, that the \$3,000,000 will pay for a portion of that or do the engineering and design work, but it is not sufficient to pay for the infrastructure that makes the next one hundred fifty (150) housing units possible. We will face the same exact budgetary requirements at Waimea. When we complete our master plan for Waimea, it is going to require water, sewer, roads infrastructure, and those will be the same kind of dollar amounts that we are looking at Lima Ola. We are talking tens of millions of dollars to put in all of that infrastructure, and we will have the exact same challenges when we look to develop the future property acquisition in Kilauea. There are extensive infrastructure costs before the housing unit can be built. Historically, the Housing Agency has sort of focused on smaller, simpler projects before Lima Ola. We would look for a one- or two-acre lot. For instance, the Pua Loke project by the theater. That was just under a two-acre lot that essentially all of the off-site infrastructure was there; the road, the water; and the sewer was there, so there was not that extensive infrastructure expenditure to just develop that small project on that single lot. As we are thinking a little bigger at Lima Ola, approximately sixty (60) to seventy (70) acres of housing in Waimea, and forty (40) to fifty (50) acres of housing in Kilauea, the costs exceed our traditional models of being able to do a



quick two-acre development with our available funding. So that is a little bit of rambling answer, but as to how we leverage those funds, some examples, past examples, at the Pua Loke project, we...I will use a couple of upcoming examples. Currently, there are three (3) projects on Kaua'i by private developers, applying to the State for their annual low-income housing tax credit funding as well as bond funds. We offered each two (2) of the three (3) of those projects \$500,000 in County development funds. \$500,000 in County development funds helps to act as further subsidy to make their projects pencil out and it also boosts their scoring within the State's competitive funding application process. So that is a concrete example of local County support for the project, which makes it much more likely they will receive subsequent State funding through low interest loans, as well as the federal tax credits. So with just that \$500,000 of County funds allocated to those projects, we are able to leverage, say, \$10,000,000 of tax credit financing as well as \$5,000,000; \$6,000,000; \$7,000,000 of direct State tax-exempt bond financing to make those projects possible.

Councilmember Evslin: Great. Thank you for the thorough answer. When you are mentioning \$12,000,000 in infrastructure, does...obviously, funding is limited and we do not have \$12,000,000, but if you got halfway there or something in your Housing Development Fund, does that help, or do you really need the \$12,000,000 at once? How would say, \$6,000,000 in your Housing Development Fund help you for next year?

Mr. Roversi: For those large infrastructure projects it is not something that you can really do piecemeal. You have to have the whole pile of money available at one point to move forward. Using that \$6,000,000 as an example though, one of the prerequisites to move forward at Lima Ola, as well as to move forward with the Department of Hawaiian Homelands (DHHL) Hanapēpē project, to the west of Hanapēpē, is to improve the water system. It requires a new water tank and a larger transmission line. We are required as part of the Lima Ola Land Use permits, zoning, et cetera, to install that tank, so that is a Housing Agency/County obligation. The price tag on that water tank and transmission line is estimated at \$5,000,000. We are currently seeking federal funds to assist us with that, but if magically I had \$5,000,000 and we could pay for that next year, that would enable Lima Ola to move forward, as well as DHHL project. They are working to get phase I off the ground of their project, which will be seventy-five (75) homes, but ultimately, I think it will be over three hundred (300) homes in the DHHL project.

Councilmember Evslin: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I have a follow-up. I am glad that you are bringing up these DHHL projects. There is one in Hanapēpē. I am really happy that we got fifty-one (51) acres about to be assigned in Anahola this month, and there are more properties coming up in Anahola. What role is there for the County to partnership in with the possibility of putting either apartment units or anything like that on DHHL land? I looked when we put in solar panels or different things that are put on that land. I know a lot of people do not have the 50% of the blood quantum. If we had an apartment complex that they could rent to people, directed at that, regardless of their depth of their blood quantum, can the County partner in any way with DHHL as a landowner, because there are a lot of our people who are displaced?

Mr. Roversi: Thank you. We have had and continue to have ongoing discussions with DHHL on ways to cooperate. One of the concrete ideas that we are batting around right now is cooperating with DHHL for the development of the Mahelona housing, the vacant State lands surrounding Mahelona that could be utilized for housing. That is in part because those are seeded lands and because they are seeded lands, a minimum of 20% of the benefit of the development has to accrue to Native Hawaiians. So, by bringing DHHL in as a partner to help develop that property, we would satisfy those prerequisites. We are also working with them to cooperate on the infrastructure in 'Ele'ele area because we both have projects going on that require potential upgrades to wastewater, water systems, and so forth. When it comes to doing a direct County project on DHHL land, it is certainly not impossible, but it becomes complex. More often than not, we have some aspect of HUD housing funds going into our projects, and HUD, despite the fact that DHHL is a federally-authorized and partly funded entity, HUD will not allow HUD housing funds to go into projects that only benefit Hawaiians, so they will not authorize us to use the funds that we originally get from HUD for a project on DHHL land if the future beneficiaries of the project are going to be restricted by blood quantum.

Councilmember Cowden: Wow. Thank you for that explanation. That is something that is often wondered, so that is very helpful for me to have that clarified. A lot of complexity in all of this, and I recognize also that the provision of housing is not a chartered item for the County. Thank you for the work that is going on. How many grant writers do we have in our Housing team? It seems like if you are getting all of this money, thank you, and who writes the grants? Is it the Housing Agency or someone else?

Mr. Roversi: To be blunt, we do not really participate in a grant writing application process. The grants are usually just coming to us.

Councilmember Cowden: Okay.

Mr. Roversi: The primary federal grants, the HOME Investment Partnerships Program (HOME), Housing Trust Fund (HTF), and Community Development Block Grant (CDBG) grants are automatically allocated to us without any kind of application process.

Councilmember Cowden: Okay.

Mr. Roversi: We are actively applying for the recently recreated federal earmarks that have not existed for more than a decade. Last year, we did apply for those, and we are applying again this year. You probably saw in the paper that we received \$8,500,000 in federally directed spending for the Lima Ola project in the current federal budget, and we are applying for money in future. But that is a brand-new possibility that they have not for a while. It is the same with most of the COVID-related emergency grants. Those sort of automatically came to us through mathematical formulas, so we are not actively having to seek out and apply for those funds.

Councilmember Cowden: Okay. Our congressional team is probably a big part of what funnels this over here or maybe it is just an algorithm by population. I just want to make sure that we continue to get it. It seems like, would say housing, in my view, is our number one crisis. Maybe behind our landfill and solid waste because that is our bread-and-butter responsibility. Housing impacts the function of our island right now. We

cannot have people really doing this work when they do not have a safe place to lay their head at night or they are worried and moving, so what you are doing is really incredibly important and thank you.

Mr. Roversi: It is worth noting that I think we have done a good job establishing very positive relationships with the State entities that sort of control the funding, Hawai'i Housing Finance and Development Corporation, as well as the other county housing agencies. I think we do a good job cooperating and coordinating amongst the counties through the State, so I think those relationships are important.

Councilmember Cowden: If there are ways that the Council can help either in writing letters of support, please let us know because it is critically important.

Councilmember Cowden: Thank you.  
Committee Chair Kaneshiro: I have a follow-up, Councilmember Kualii.

Councilmember Kualii: Hi, Adam. As a follow-up, I would say I absolutely agree that County should do what it can to support infrastructure that, of course, would help our own housing developments like Lima Ola and then also help DHHL development. For those developments that DHHL does, they have to be obligated to the Native Hawaiian award, 50%, but instead of just looking as Councilmember Cowden suggests, to partner with a State agency, you should look at partnering with nonprofit beneficiary developers, because I think they, as entities, and there is a few throughout the State, can access federal dollars and tax credits in ways that the DHHL cannot. The DHHL has its own pool of moneys, the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) grants, that they can use and there has been recent history where they have lost a lot of that funding and now Senator Schatz is helping to get it back. I am hopeful in the future that it will come to be \$13,000,000 to \$15,000,000 a year, and that can go into the ground as well with infrastructure. I get what you say when you say it is it is complex, but the one thing I would suggest, and maybe you thought of it already, is not just partnering directly with a State agency, but partnering with beneficiaries, because I think that is one way, too, to address the concern about HUD dollars going to only Native Hawaiians, because, in fact, the DHHL awards the land to the beneficiary organization nonprofit and they do the development, get the grants, federal tax credits, and all the federal dollars. They are the landlords of those properties, affordable. They rent to homesteaders, other Hawaiians, but they also represent to non-Hawaiians, and they probably will rent it at the lowest rate possible. They are, of course, interested in helping teachers and doctors, workforce housing and all of that.

Mr. Roversi: Thank you.

Committee Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: Adam, what kind of housing is in the first phase of Lima Ola? Can you explain what group of people we are targeting that is going to be available for these lots?

Mr. Roversi: The first two (2) lots...we are developing simultaneously, two (2) of the multi-family lots at Lima Ola. That will be the first vertical construction. One (1) of them will be a forty (40) unit rental project for seniors, the second

will be a forty-five (45) unit workforce housing project available to any resident of Kaua'i. The senior housing project is targeting individuals...I would have to get back to you with the exact number, but my recollection is it is primarily targeting individuals who make 60% of area median income (AMI) and below. Because they are seniors, they tend to be not employed. Despite the fact that it is a fairly low income or threshold, it opens up to a large segment of the senior population. The workforce housing project is going to again, focus largely on people below 80% of area median income, but it can also go up to 100% of area median income. We are working at Lima Ola, unlike many affordable housing projects that are purely focused on the very lowest income individuals, we want to create a mixed income community where yes, we are serving low-income portion of our island, but we are also making housing available for higher income individuals. Sometime after the multi-family lots break ground, we are also going to be developing thirty-eight (38) single-family homes. Tentatively, we are working to sell those as 99-year leaseholds so that the County retains ownership of the land and can control the affordability long-term. For those homes, we are going to be targeting a little bit of a higher income group, up to 120% of area median income for the single-family homes. It is simply too difficult to build single-family homes given the cost of construction, to sell them at 80% and below sale price. It requires too much subsidy to be financially feasible. It is okay to do one (1) or two (2), but to do thirty-eight (38) homes that require that much subsidy is just not financially in the cards for us.

Councilmember DeCosta: I understand construction might be up to about \$300 a square foot currently as we speak. I did some investigating. Adam, the 99-year lease, how easy is it for our local families to go to the bank and get a mortgage on it? Usually, if you own the land, you can use it as leverage, and if you do not own the land, then it is a combined package if you cannot pay, the bank will repossess your land and home. This one here, the County would be responsible for the 99-year lease, and it would be a partnership with the land purchaser of the lease to build a home? Would it be a joint venture at the bank? How would that work, or have you worked that out?

Mr. Roversi: We are working right now with folks from USDA, as well as a USDA qualified lender to offer loans to prospective buyers under the Section 502 Single-Family Loan Guarantee Program. The loans would provide the future buyer or owner of the home on the lot a construction loan that automatically becomes a permanent loan. We will help facilitate the loan application process to individuals on our Homebuyer list, working closely with USDA, who underwrites the loan and the lender. Hopefully, as we participate in this USDA loan program, it is tailored specifically for individuals at lower income levels. I think it will work out very well so that they are able to fund the construction of the homes under this program. It automatically wraps into a permanent thirty 30-year mortgage or even a 35-year mortgage for purchasers, irrespective of the fact it is a leasehold. The program works and is approved for leasehold properties.

Councilmember DeCosta: As long as they are paying the mortgage and they paid the mortgage, that home can be passed on to a family member within their immediate family?

Mr. Roversi: Yes. They can pass it on, it can be inherited by their children, and they can sell it, if they would like, if they do not have family to pass it on to. The only catch with the sale, is that the lease, we call it a "limited appreciation leasehold," in that the future sale price is predetermined by a formula. They are able to realize some appreciation in the home, but not capture all of the appreciation of the house such that when

at resale ten (10) years from now, we do not want the houses to flip to market rate and suddenly become \$1,000,000 houses. We control the future resale price in the lease documents and that agreement from the start. Unlike a renter, who would move out say ten (10) years from now and have nothing to show for it, if they were to move out either say a family with children who have gone to school and moved away, and you have an elderly family who wants to downsize, or they want to move to a larger home because they are having more children. When they sell, will still be able to realize a portion of the appreciation, so they will walk away from the home with all the equity they have built by paying down the loan, as well as apportion of appreciation. So, they could have \$50,000 or \$100,000 in their pocket that they can take for a down payment on a new home or to put in their pocket if they are down-sizing to something smaller.

Councilmember DeCosta: My follow-up question to this would be, if they paid off their mortgage in thirty (30) years or thirty-five (35) years, they want to use the 99-year lease and home as leverage to go get another home someplace else, can they do that, or would they have to pass it on to their son or daughter and then kind of start from scratch because that home or land lease document is not part of the leverage?

Mr. Roversi: No. They would be able to either sell the home and take the cash from the sale, or if they have paid down enough of their mortgage, with the County's permission, they could have a second mortgage on the property, for example or a home equity line for the value of the house. If someone needed help covering their child's college tuition, as long as they have paid down enough of their loan, they could get a second loan or an equity line on the property. There is a debt to value ratio, so they cannot take out so many loans on the house that it is beyond what the home is worth. But if they paid down a significant portion of their original mortgage, they could have a home equity line or second mortgage on the property to take out cash for anything that they wanted to do with.

Councilmember DeCosta: My last question, this might be a farfetched question, but I want to throw it out since I have an opportunity to discuss housing. The County has a project, the County has land, the County has funding; the State has land right next to the County land, and it might not be State land that is residential or commercial, it could be State agriculture land. If we have our infrastructure already in place on a piece of County property that is adjacent to the State agriculture land, have we ever done something like that? Is that something possible where the County can work with State, work with our funding from the County, and make some kind of agricultural land that would either become agricultural property with homes on it, or rezone to agricultural land to residential, and try and solve the housing crisis? Have we ever worked with the State like that?

Mr. Roversi: We have worked with the State. Our typical model, and this does not mean that it can work...our typical model is if there is a parcel of State land that we have identified as a good target site for housing, in the past, we usually have worked with the State to have them transfer it to us via Executive Order (EO). The land is essentially for all intents and purposes is transferred to the County not strictly for County ownership, but all maintenance, access rights, and managerial control of the property is given over to the County and we can move forward with the project. As an example, that is how Kealahou Supportive Housing Project works. That was State property that was Executive Ordered to the County for specific purposes of developing that affordable housing project. We also, last year, received twelve (12) separate residential lots scattered around the island that we call our "Scattered Lots Project," from the State, for the purposes of

developing single-family affordable housing. We are working on that project right now. There certainly are other ways that it could happen via a lease agreement, et cetera, for most projects. To finance and fund it, the entity who is controlling the project has to have site control. The easiest way to have site control to make the banks happy is you have to own it. It would be a little more complicated if we were trying to lease land from the State. That is a more tenuous type of site control. The State could cancel leases at any time and lenders do not particularly like that kind of situation.

Councilmember DeCosta: Thank you.

Committee Chair Kaneshiro: Are there any other questions? If not, we can move into the budget. Are there any questions on the General Fund? Councilmember Carvalho, did you have a question?

Councilmember Carvalho: Adam, on the Pua Loke Apartments, and the parcels that are 60% of the median income...then that model that you have there the five (5) units that are set aside for households, is that same footprint going to be used for other projects?

Mr. Roversi: The Ahe Group developed those apartments in cooperation with the County. They offered to set aside five (5) of the units specifically for homeless families, both to provide a community benefit, but to be blunt, it assisted them in the scoring for the State Annual Tax Credit Application process. By agreeing to set aside those five (5) units for homeless families, it increases their overall score in their funding application to the Hawai'i Housing & Finance Development Corporation (HHFDC), which makes it more likely that they will receive all of the other types of funding to push the project forward. I believe that in the upcoming year there are three (3) projects that are requesting State funding in the competitive application process. Ahe Group is one of those entities for another project in Port Allen. They will not know if they receive funding until June or July. I believe they may have made the same proposal in that project as well, to set aside a small number of units specifically for homeless individuals. I would have to go back and double-check the proposal to be sure though.

Councilmember Carvalho: I just wanted to check and see if that is something that is happening and how it came to the table. Now I understand what you are talking about.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: What is DURF? Is that what you were talking about with the interest on the thirteen-million-dollar loan that moved over to the Housing Revolving Fund? What does DURF stand for? I have a hard time with acronyms.

Mr. Roversi: DURF that is an acronym for a State program which is the Dwelling-Unit Revolving Fund. It is a State-funded revolving loan fund for affordable housing, and it is administered by HHFDC. That line item is now placed under our 512 Account as part of our Development Revolving Fund.

Councilmember Cowden: Is that the interest on that loan? Is that related to the \$13,000,000 that you spoke about earlier?

Mr. Roversi: Correct. That was a \$13,000,000 loan to fund the infrastructure of Lima Ola Phase I. The annual interest payment is \$500,000.

Councilmember Cowden: Okay.

Mr. Roversi: That is the line item that you will see under our 512 Account. You will note that in last year's budget it was dramatically smaller. That is because at that point, we had not drawn down very much of the total \$13,000,000 loan. Now that Phase I of the project is essentially complete, we have drawn down almost all of the \$13,000,000. Now, we are paying interest on the entire principle. Last year, we were only paying interest, only on a small portion, because we had only drawn down the very beginnings of that loan.

Councilmember Cowden: Okay, thank you. Understood.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Your one vacation position, Position No. 9536, Public Housing & Development Program Manager. It was open for almost a year. The vacancy report says that there is no requisition to recruit. What is your plan for filling this position and the amount is showing as \$86,748 and then the range is \$62,136 to \$91,968? Is that amount because you are promoting from within and that is the amount that it is going to take?

Mr. Roversi: We are working currently with HR to reclassify that position as an Assistant to the Director. Our intention is that it will function similar to a Deputy Director position. Until recently, that position number was on-loan and utilized as a maintenance position at our Kalepa Village affordable housing project. We had a gap in management at that project because of a procurement protest. During that gap we were required to manage that project ourselves. That is not really our area of expertise. We were utilizing that vacant position number to have a County employee operate as one of the maintenance staff at Kalepa Village. Now that Kalepa and Pa'anau have both been formally transferred to EAH Housing Management, we are working with HR to reclassify that as a Special Assistant to the Director and we are hopeful to fill that in the upcoming year. That is our sole vacancy at the moment.

Councilmember Kualii: And the budgeted amount there is taking into account the future need for that position after the reclassification?

Mr. Roversi: Yes.

Councilmember Kualii: Okay, thank you.

Committee Chair Kaneshiro: Are there any other questions from the Members? If not, we will move on to the Housing & Community Development Fund, page 345. Are there any questions for this Fund? Councilmember Cowden.

Councilmember Cowden: I just want to make a comment. You really do a lot with a little. It is amazing how basically flat the budget is and relatively small for as much as has been accomplished.

Mr. Roversi: Thank you.

Councilmember Cowden: That would be across all divisions here.

Committee Chair Kaneshiro: We are now on the Housing Revolving Fund. I know we already went over the General Fund money the County is sending to them and the DURF loan. Are there any questions on these line items? If not, we can move on. Kalepa Housing Fund. Are there any questions for this Fund? Adam, I notice the payroll for administrative increased...

Mr. Roversi: Yes, we entered into a new 5-year management contract with the expiration of the old management contract. That was more expensive than it had previously been for the previous 5-year period. That is in part because we in our Request for Proposal (RFP) asked for additional staffing. Specifically, we asked in the new management program for an extra resource coordinator position at both Kalepa Village and Pa'anau. Separate from just the purely collection of rent and maintenance of the facility, the Resource Coordinator position is designed to a more limited extent, but it is meant to provide supportive services to the residents at the facilities to be sure that they are getting assistance with their Section 8 applications for example or being directed to other programs like helping them know where to sign-up for medical insurance, et cetera. We felt that the extra services position would be of value of the tenants of those projects and it is also worth noting that both the Kalepa Village budget and the Pa'anau budget are fully supported by the rents received at the project. They do not require any County contribution of funds. They are self-supporting projects, even at the increased costs.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I am happy to see that these are revenue neutral and that we do not spend any moneys out of our General Fund. All these other properties that we have helped to assist like Koa'e and Kolopua, the County does not have any financial responsibility on them anymore? Are they just owned by the partnership and are we out of that expense?

Mr. Roversi: Generally speaking, yes. Kalepa Village Phases I and IV, and Pa'anau Phase I...the physical buildings are owned by the County. All of the other affordable housing projects on Kaua'i, the physical buildings are owned by a separate corporation like Mark Development at Koa'e, or Ahe Group in the instance of Pua Loke. We do have a financial responsibility for the projects where we own the physical buildings for maintenance, et cetera, but happily I can say that they are self-supporting based on the rental income on the projects.

Councilmember Cowden: As the public sees us being able to successfully launch these different projects, I want to just mention the one in Waimea, I am forgetting the name of it.

Mr. Roversi: The Waimea Huakai project?



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Councilmember Cowden: Yes. We have been helping to launch a number of these and have been a participant in them. They do not cost the taxpayers money and it does not even cost our team oversight. We are a part in getting them going and then it is out there. We have two (2) revenue neutral ones that support themselves. It is good, right?

Mr. Roversi: Yes.

Councilmember Cowden: I have been getting some different letters that come in saying that we are encouraging socialism. There is a certain amount of people who...you have seen the letters. They feel like we are giving too much money away. I am not on that page. I just want them to know that it is not costing them money every year, which is sometimes what is implied.

Committee Chair Kaneshiro: Are there any other questions for Kalepa Village? If not, we can move on to Pa'anau. Are there any questions for Pa'anau Housing? This is our last one. If not, are there any final questions for Adam? If not, I will let Adam go and we will move on. Thank you, Adam.

Mr. Roversi: Thank you all. Take care.

Committee Chair Kaneshiro: Next up we have the Agency on Elderly Affairs.

**Agency on Elderly Affairs**

Committee Chair Kaneshiro: Kealoha, if you want to start by going over your overview.

LUDVINA K. TAKAHASHI, Executive on Aging (*via remote technology*): Thank you. Aloha, everyone. Some significant changes as noted in our Operating Budget is the significant increase in our salaries and this is reflecting the reallocation of Position No. 130, which was the Aging Program Planner at an SR-24, to County Assistant Executive on Aging, EM-1. The reallocation of Position No. 132, which was the Program Administrative Officer, EM-1 to County Executive on Aging at EM-3. I am really happy to introduce to everybody our new Assistant Executive on Aging Donna Goo. She started on April 1<sup>st</sup>. Other changes in our budget include changes made to Other Services. It was decreased by \$56,245 and we increased Consultant Services by \$56,245. For operational changes, we have had challenges with our EnhanceFitness instructor shortages. With the increasing of COVID-19 cases, we delayed starting in-person classes. What we did to continue to provide senior fitness classes, was to do that through Zoom. Of course, our State funding for FY 2019-2020, we were able to cover the costs of our program. Unfortunately, this year, our Health Aging Bill was not passed. It is dead. As far as State funding, we do not anticipate any State funding for 2023. I just wanted to make mention that although it is not an operational challenge, we do have waitlist for services in particular for homemaker personal care and respite care because of the shortage of workers that evidenced not only with our service providers, but throughout the state and nationwide. That is about all.

Committee Chair Kaneshiro: Are there any questions for Kealoha regarding her write-up or the budget. The budget is only two (2) pages. Councilmember Cowden.

Councilmember Cowden: I would like to welcome Donna Goo. Is her position going to be helping with the planning elements that we were having for the last year?

Ms. Takahashi: Yes, that is correct.

Councilmember Cowden: How heavy are the waitlists into the home living care facilities, when people need assisted living? We know that we do not have enough people to come out to the houses, do we have enough beds for the people needing housing, assisted-living housing? How are we doing?

Ms. Takahashi: As far as assisted housing, I am not sure what the market is. For our services, we provide them in their homes. Right now we have at least about forty-one (41) that are on the waitlist for those particular personal care services.

Councilmember Cowden: Yes. I think there is a pretty good-sized waitlist for all of these people to go into as well. That is a challenge. Thank you for the work that you do. The budget is pretty flat. Our Consultant Services went up a little bit. Did you want to speak to that?

Ms. Takahashi: For Consultant Services, it came over from Other Services. It used to pay for our Healthy Aging Program and is our EnhanceFitness instructors. We were not expending those funds so we switched over to Consultant Services to help with the home-delivered meals and in-home services.

Councilmember Cowden: Okay, thank you.

Committee Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: First, I want to thank you for what you did during the Waimea Valley rockfall. You were out there. Amazing. I was able to work with Julie Kajiwarra and another one of your employees were out there checking on a *kupuna*. You were so generous and so professional at what you do. On the produce boxes that come from 'Aina Ho'okupu O Kilauea. Those boxes and the produce, is it limited to just produce or do they have the egg laying chickens already in place where the eggs can go to our *kūpuna*? I know they have some pork that they have been harvesting. Are they able to share those goods with the *kūpuna* or is it just the produce that they are growing out there?

Ms. Takahashi: Thank you for the question. I will defer that question to Donna who has currently been our RSVP Project Director. Donna, can you address that?

DONNA LYNN GOO, Assistant County Executive on Aging (*via remote technology*): Currently, we are just doing produce with 'Aina Ho'okupu O Kilauea, but we have had other partnerships with the Kaua'i Independent Food Bank, as well, that have been sharing shelf-stable food items, produce, and some local ground beef that have been delivered to our *kūpuna*, about one hundred (100) *kūpuna*, once per month. The produce, because of funding, it halted for the month of March. We just got word yesterday that they are able to provide a box of produce once again, starting this Friday. They will be doing it bi-monthly, twice a month and will be able to deliver to one hundred twenty (120) *kūpuna*, once per month.

Councilmember DeCosta: Thank you for that information, Donna and welcome on-board.

Ms. Goo: Thank you.

Committee Chair Kaneshiro: Are there any other questions for the Agency on Elderly Affairs? If not, let us move on. Thank you, Kealoha and Donna.

Ms. Takahashi: Thank you.

Committee Chair Kaneshiro: Next up we have the Office of the County Auditor.

### **Office of the County Auditor**

Committee Chair Kaneshiro: We pretty much dollar-funded everything except for the Annual Comprehensive Financial Report (ACFR) for each year. The budget remained flat, except for a small item for Other Services.

JADE K. FOUNTAIN-TANIGAWA, County Clerk (*via remote technology*): That is for the storage unit we maintain.

Committee Chair Kaneshiro: Are there any questions for this budget?

Councilmember Cowden: How many audits are outstanding? Do we have three (3) outstanding audits? Is that right?

Ms. Fountain-Tanigawa: As far as performance audits, we have two (2) outstanding. In fact, one draft was circulated today. It was a draft report. We have another one that is upcoming.

Committee Chair Kaneshiro: That audit money is in the Council Services budget. This money here is just for the annual audit for the entire County. We just had their presentation a couple of weeks ago.

Councilmember Cowden: Yes.

Committee Chair Kaneshiro: Are there any other questions for the Office? If not, we can go back to the very start of the Council's pages, page 14.

### **Office of the County Clerk**

Committee Chair Kaneshiro: Are there any questions for Council Services? Jade, do you want to do an overview of the budget?

Ms. Fountain-Tanigawa: Sure. The Office of the County Clerk, our budget is relatively flat. We have an approximately 2.6% decrease in our overall budget, which is about \$92,000. We currently have three (3) vacancies in Council Services. At least for our Office of the County Clerk, we will be preparing for both the Primary and General Elections in 2022. I am not sure if you have any specific questions or if you wanted me to address any particular issue.

Committee Chair Kaneshiro: Are there any questions from the Members?  
Councilmember Cowden.

Councilmember Cowden: I was going to say it is pretty flat. There is a little bit of a bump in Equipment. What are we buying? Are we buying something good? It went up to \$50,000. It might be the copier.

Ms. Fountain-Tanigawa: Yes, we are getting a new copier. We are leasing a new copier.

Councilmember Cowden: Special Projects?

Ms. Fountain-Tanigawa: We have an amount for the Hawai'i State Association of Counties (HSAC) Conference startup.

Councilmember Cowden: Are we going to host it soon?

Committee Chair Kaneshiro: We will probably be planning for it and we will be hosting next year. It depends on when they want to do it. Typically, the HSAC Annual Conferences were held in June. I know this year, HSAC is going to be in September, but if they wanted to go back to a June date, then it would fall on us for next Fiscal Year to do the HSAC Annual Conference.

Councilmember Cowden: Alright.

Ms. Fountain-Tanigawa: Yes.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Jade, you had mentioned that there were three (3) vacancies. I do see in the budget that it is 3-month funded, 3-month funded, and a dollar-funded.

Ms. Fountain-Tanigawa: Yes.

Councilmember Kualii: Are you not needing any of those positions sooner? The budget is pretty low. The dollar-funded one you are saying that you are not planning to hire that throughout the year.

Ms. Fountain-Tanigawa: Yes. Our current staff has been really terrific, and the workload has been manageable. What we had planned to do was wait until December to see what kind of new projects and interests will be coming up with the slate of Councilmembers.

Councilmember Kualii: Okay. To that end, is 3-month funding enough or maybe you should have 6-month funding?

Ms. Fountain-Tanigawa: We were being conservative. If you would like to give us 6-months, we welcome 6-month funding.

Councilmember Kualii: I think the time may come where if in December or January, you might need it. You do not know now.

Ms. Fountain-Tanigawa: Given the recruitment process, it would be safe to say that we will need about two (2) months to recruit and interview.

Councilmember Kualii: Taking that into account, then you may be fine.  
Ms. Fountain-Tanigawa: We can take a look at that.

Councilmember Kualii: Okay, thank you.

Ms. Fountain-Tanigawa: Thank you very much.

Committee Chair Kaneshiro: Are there any other questions for Council Services? If not, we can move on to Elections.

Ms. Fountain-Tanigawa: I also have Lyndon available to answer any specific questions regarding the Elections Division. You will notice an increase of about 7.8% of the budget over the last Fiscal Year. That is to gear up for the 2022 elections. We will be bringing on additional Elections Clerks in July to assist with the upcoming 2022 election.

Committee Chair Kaneshiro: Okay. Are there any questions for the Elections Division? Councilmember Cowden.

Councilmember Cowden: It is pretty flat, and it looks pretty clear. It is hard for me to not say thank you to both Divisions. It is hard to be silent when you all do so much, and we just finished a Special Election. I just want to express my gratitude. It is not really a question. It looks like you are absolutely within budget or below it. Gratitude to both Divisions.

Ms. Fountain-Tanigawa: Thank you.

Committee Chair Kaneshiro: Are there any other questions for Council Services or Elections, before we finish up our budget meetings? Councilmember DeCosta.

Councilmember DeCosta: I do not know if it is a question, but I will try to frame it as a question. I do not know how you do it here at the Office of the County Clerk with the limited staff that you have and being so proficient. Better words would be excellent and efficient. I am very impressed and thank you so much for all that you do at both Divisions. Thank you.

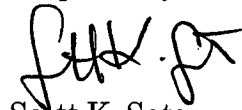
Ms. Fountain-Tanigawa: Thank you. Councilmember DeCosta, this really provides a nice opportunity to really thank the staff for all that they do. We are extremely fortunate to have exceptional staff and every year all I can say is thank you very much. For the Councilmembers also, thank you for your support, it has really been a great help.

Committee Chair Kaneshiro: With that, thank you all again for a very thorough review. As we have progressed fairly efficiently, I will be canceling the Departmental Call-Backs so that the Administration and Councilmembers are able to free up time in your

calendars for other business. Call-Backs that were scheduled for April 7<sup>th</sup>, 8<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup>, and 14<sup>th</sup> are now canceled. We anticipate receiving the Mayor's May Supplemental Budget Communication on or before May 6, 2022 given that May 8, 2022 is a Sunday. Our next budget-related meeting will be May 11, 2022 where we will hold our 5:00 p.m. public hearing. We will have a 9:00 a.m. Special Council Meeting on Friday, May 13, 2022 to schedule the public hearing for the Mayor's May Supplemental Budget Communication and then proceed into Budget Decision-Making that same morning at 9:00 a.m. Additional Decision-Making sessions are scheduled for May 16<sup>th</sup>, and 17<sup>th</sup>, if needed. Not seeing or hearing any objections, the Departmental Budget Reviews for Fiscal Year 2022-2023 are now adjourned.

There being no objections, the Committee adjourned the Fiscal Year 2022-2023 Departmental Budget Reviews at 10:59 a.m.

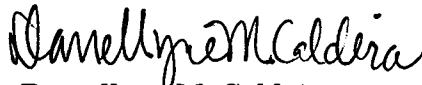
Respectfully submitted,



Scott K. Sato  
Deputy County Clerk



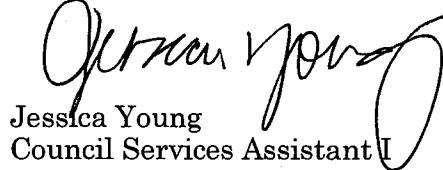
Allison S. Okasaki  
Legislative Assistant



Darrellyne M. Caldeira  
Council Services Assistant II



KarLyn Sukehira  
Council Services Assistant I



Jessica Young  
Council Services Assistant I

APPROVED at the Committee Meeting held on May 4, 2022:



ARRYL KANESHIRO  
Chair, Committee of the Whole